

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION

DOCKET NO. 2004-95-S

IN THE MATTER OF:)	
)	
South Carolina Utilities, Inc.)	INTERROGATORIES OF
Application for Adjustment of)	THE CONSUMER ADVOCATE
Rates and Charges)	(Set No. 1)
_____)	

Pursuant to S.C. Code Ann. § 37-6-601 et. seq., (1989 and Supp. 2003), and 26 S.C. Code Ann. Regs. 103-851 (1976 and Supp. 2003), this party of record and Intervenor, Elliott F. Elam, Jr., Acting Consumer Advocate for the State of South Carolina, hereby serves these Interrogatories upon South Carolina Utilities, Inc. (SCUI or Company) in Docket No. 2004-95-S and files the original and one (1) copy with the Honorable Bruce F. Duke, Executive Director of the South Carolina Public Service Commission.

IT IS HEREIN REQUESTED:

- A. That all information requested below, unless otherwise specified, be limited to the Company's South Carolina operations.
- B. That all information shall be provided to the undersigned in the format as requested.
- C. That all responses to the requests below be labeled using the same numbers as used herein.
- D. That if the requested information is found in other places or in other exhibits, reference not be made to those, but instead, that the information be reproduced and placed in the interrogatory response in the appropriate sequence.
- E. That any inquiries or communications relating to questions concerning clarifications of the data requested below be directed to the undersigned.

- F. That all exhibits be reduced to 8½" x 11" format.
- G. That the requested information be bound in ring binders (loose leaf notebook) or otherwise bound.
- H. That in addition to the signature and verification at the close of the Company's responses, the Company witness(es) or employee(s) responsible for the information contained in each answer be indicated.
- I. That each of these Interrogatories be reproduced at the beginning of each of the responses.
- J. That the Company provide the Consumer Advocate two copies of the responses to these Interrogatories as soon as possible, but no later than **June 24, 2004** and provide one copy to:

Michael A. Bleiweis
243 Banks Road
Easton, Connecticut 06612-1627

- K. If the response to any Interrogatory is that the information requested is not currently available, state when the information requested will be available.
- L. These Interrogatories shall be deemed to be continuing so as to require the Company to supplement or amend its responses as any additional information becomes available.
- 1-1. Please provide copies of the three most recent annual reports to stockholders of Utilities, Inc.
- 1-2. Please provide copies of the three most recent Form 10-K of Utilities, Inc.
- 1-3. Please provide a comparative income statement, excluding labor, similar to the Per Books column of Schedule B, Page 1 of 2, for the twelve months ended December 31, 1999, 2000, 2001, 2002 and 2003.
- 1-4. Please provide the number of customers and annualized billing units at December 31, 2003.
- 1-5. Please explain why test year 2003 Miscellaneous Revenues were booked as a negative \$252.
- 1-6. Please provide a schedule showing Service Revenues, Uncollectible Accounts expense and the percentage of Uncollectible Accounts expense to Service Revenues for the twelve month periods ending December 31, 1999, 2000, 2001, 2002 and 2003.

- 1-7. If the company maintains a reserve for uncollectibles, please provide a schedule showing a three-year history of the beginning balance, accrual, write-offs and ending balance.
- 1-8. Please provide detailed workpapers (by employee) supporting income statement adjustment (c), Salaries & Wages and Pension & Other Benefits. If this is a contractual increase, please provide appropriate pages from the relevant contract.
- 1-9. Please provide a schedule showing a history of total salaries and wages broken down by amount charged to expense and amount charged to construction for the 12-month periods ending December 31, 1999, 2000, 2001, 2002 and 2003.
- 1-10. Please provide a schedule showing a history of total salaries and wages broken down by overtime and regular-time, for the 12-month periods ending December 31, 1999, 2000, 2001, 2002 and 2003.
- 1-11. Please provide a schedule showing numbers of employees at December 31, 1999, 2000, 2001, 2002 and 2003.
- 1-12. Please provide detailed workpapers supporting income statement adjustment (d), Regulatory Commission Expense and explain how the proposed three-year amortization period was determined.
- 1-13. For the company's last three rate cases, please provide a schedule showing the docket number, actual rate case expense, amount of increase, date the case was filed and the date rates went into effect.
- 1-14. Please provide detailed workpapers supporting income statement adjustment (f), Depreciation and Amortization of CIAC, including "extraordinary depreciation for retirement of plant".
- 1-15. Please provide detailed workpapers supporting adjustment (g), Taxes Other Than Income.
- 1-16. Please provide detailed workpapers supporting adjustment (h), Income Taxes-Federal and Income Taxes-State.
- 1-17. Please provide detailed workpapers supporting income statement adjustment (j), Interest on Debt.
- 1-18. Please provide a schedule showing the components of the company's debt/equity ratio at December 31, 1999, 2000, 2001, 2002 and 2003.

- 1-19. Please provide detailed workpapers supporting adjustment (k) for Purchased Power and , Maintenance & Repair expenses.
- 1-20. Please explain why the line item Operating Expense Charged to Plant is eliminated for ratemaking purposes (adjustment l).
- 1-21. Please provide detailed workpapers for and a detailed explanation of the line item Outside Services-Other.
- 1-22. Please provide a detailed schedule showing all expenses allocated to SCUI for the twelve months ended December 31, 1999, 2000, 2001, 2002 and 2003, and provide a detailed explanation as to how such expenses are allocated.
- 1-23. Please provide detailed workpapers supporting rate base adjustment (a), Cash Working Capital.
- 1-24. Please provide detailed workpapers supporting the rate base adjustment to Accumulated Depreciation.
- 1-25. Please provide detailed workpapers supporting rate base adjustment (b), Pro Forma Plant.
- 1-26. Please provide detailed workpapers for and a detailed explanation of the line item “Water Service Corporation” included in rate base.
- 1-27. Please provide a schedule similar to that shown on Exhibit B, page 4 of 7, detailing Plant By Categories at December 31, 2003.
- 1-28. Please explain in detail why no pro forma rate base adjustments are being proposed to eliminate Sewage Treatment Plant and related Plant In Service balances since future sewage treatment will be provided by the City of Aiken. Explain how the absence of such an adjustment is consistent with income statement adjustment (f) to depreciation expense which “includes extraordinary depreciation for retirement of plant”.
- 1-29. Please explain in detail why no pro forma rate base adjustment is being proposed to Accumulated Deferred Income Taxes to reflect pro forma federal and state tax adjustments.
- 1-30. Please provide a detailed narrative explaining all the types of services provided by Water Service Corp. whose expenses are allocated to the company.

- 1-31. Would the company agree or disagree that the return on equity that equates to a 59.23%/40.77% debt equity ratio and 8.96% Return on Rate Base, as reflected by the company on Schedule C, is 11.40%. If the company disagrees, please explain.
- 1-32. Please explain and provide a detailed breakdown of the large Balance Sheet balance shown for A/P-Associated Companies. Please identify the "Associated Companies".

Elliott F. Elam, Jr.
Acting Consumer Advocate

Hana Pokorna-Williamson
Staff Attorney

By: _____

S.C. Department of Consumer Affairs
3600 Forest Drive 3rd Floor
P.O. Box 5757
Columbia, South Carolina 29250-5757
(803) 734-4189

June 11, 2004

CERTIFICATE OF SERVICE

This is to certify that I, Elliott F. Elam, Jr., have served this day the foregoing **Interrogatories of the Consumer Advocate (Set No. 1)** upon the person(s) named below, at the address(es) set forth, by deposit in the United States mail, postage prepaid.

John M.S. Hoefer, Esquire
Willoughby & Hoefer, P.A.
P.O. Box 8416
Columbia, SC 29202-8416

Robert E. Tyson, Jr.
Sowell Gray Stepp & Laffitte, LLC
P.O. Box 11449
Columbia, SC 29211

Jerry McCarty
104 Recreation Drive
Aiken, SC, 29803

Joseph A. Gentilucci
127 Savannah Drive
Aiken, SC, 29803

Karen & William Busser
102 Savannah Drive
Aiken, South Carolina 29803

June 11, 2004
Columbia, South Carolina